
HOUSE BILL 1997

State of Washington

69th Legislature

2025 Regular Session

By Representatives Mendoza, Manjarrez, and Marshall

Read first time 02/18/25. Referred to Committee on Finance.

1 AN ACT Relating to cutting statewide property tax revenues by 10
2 percent without creating a shift to other taxpayers; amending RCW
3 84.52.065 and 84.55.010; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 84.52.065 and 2022 c 56 s 13 are each amended to
6 read as follows:

7 (1) Except as otherwise provided in this section, subject to the
8 limitations in RCW 84.55.010, in each year the state must levy for
9 collection in the following year for the support of common schools of
10 the state a tax of three dollars and sixty cents per thousand dollars
11 of assessed value upon the assessed valuation of all taxable property
12 within the state adjusted to the state equalized value in accordance
13 with the indicated ratio fixed by the state department of revenue.

14 (2)(a) In addition to the tax authorized under subsection (1) of
15 this section, the state must levy an additional property tax for the
16 support of common schools of the state.

17 (i) For taxes levied for collection in calendar years 2018
18 through 2021, the rate of tax is the rate necessary to bring the
19 aggregate rate for state property tax levies levied under this
20 subsection and subsection (1) of this section to a combined rate of
21 two dollars and forty cents per thousand dollars of assessed value in

1 calendar year 2019 and two dollars and seventy cents per thousand
2 dollars of assessed value in calendar years 2018, 2020, and 2021. The
3 state property tax levy rates provided in this subsection (2)(a)(i)
4 are based upon the assessed valuation of all taxable property within
5 the state adjusted to the state equalized value in accordance with
6 the indicated ratio fixed by the state department of revenue.

7 (ii) For taxes levied for collection in calendar year 2022 and
8 thereafter, the tax authorized under this subsection (2) is subject
9 to the limitations of chapter 84.55 RCW.

10 (b)(i) Except as otherwise provided in this subsection, all taxes
11 collected under this subsection (2) must be deposited into the state
12 general fund.

13 (ii) For fiscal year 2019, taxes collected under this subsection
14 (2) must be deposited into the education legacy trust account for the
15 support of common schools.

16 (3) For taxes levied for collection in calendar years 2019
17 through 2021, the state property taxes levied under subsections (1)
18 and (2) of this section are not subject to the limitations in chapter
19 84.55 RCW.

20 (4)(a) For taxes levied for collection in calendar year 2022 and
21 thereafter, the aggregate rate limit for state property taxes levied
22 under subsections (1) and (2) of this section is three dollars and
23 sixty cents per thousand dollars of assessed value upon the assessed
24 valuation of all taxable property within the state adjusted to the
25 state equalized value in accordance with the indicated ratio fixed by
26 the state department of revenue.

27 (b) If the aggregate rate of state property taxes levied under
28 subsections (1) and (2) of this section for collection in any
29 calendar year after 2021 exceeds \$3.60 per \$1,000 of assessed value,
30 each rate must be reduced on a pro rata basis until the aggregate
31 rate no longer exceeds \$3.60 per \$1,000 of assessed value.

32 (5) For property taxes levied for collection in calendar years
33 2019 through 2021, the rate of tax levied under subsection (1) of
34 this section is the actual rate that was levied for collection in
35 calendar year 2018 under subsection (1) of this section.

36 (6) The amount of state taxes levied under this section for
37 collection in calendar years 2026, 2027, and 2028 are as provided in
38 this subsection.

39 (a) For calendar year 2026:

1 (i) The amount levied under subsection (1) of this section is the
2 part I highest lawful levy for calendar year 2026 reduced by 10
3 percent plus any increase allowed under RCW 84.55.010.

4 (ii) The amount levied under subsection (2) of this section is
5 the part II highest lawful levy for calendar year 2026 reduced by 10
6 percent plus any increase allowed under RCW 84.55.010.

7 (b) For calendar year 2027:

8 (i) The amount levied under subsection (1) of this section is the
9 part I highest lawful levy for calendar year 2027. For purposes of
10 this subsection (6), "part I highest lawful levy for calendar year
11 2027" means the part I highest lawful levy for calendar year 2026,
12 plus any increase allowed under RCW 84.55.010.

13 (ii) The amount levied under subsection (2) of this section is
14 the part II highest lawful levy for calendar year 2027. For purposes
15 of this subsection (6), "part II highest lawful levy for calendar
16 year 2027" means the part II highest lawful levy for calendar year
17 2026, plus any increase allowed under RCW 84.55.010.

18 (c) For calendar year 2028:

19 (i) The amount levied under subsection (1) of this section is the
20 part I highest lawful levy for calendar year 2027, plus any increase
21 allowed under RCW 84.55.010.

22 (ii) The amount levied under subsection (2) of this section is
23 the part II highest lawful levy for calendar year 2027, plus any
24 increase allowed under RCW 84.55.010.

25 (7) The amounts levied under subsections (1) and (2) of this
26 section for collection in calendar year 2029 and thereafter are
27 governed by the levy limits in chapter 84.55 RCW and the aggregate
28 rate limit in subsection (4) of this section.

29 (8) As used in this section, "the support of common schools"
30 includes the payment of the principal and interest on bonds issued
31 for capital construction projects for the common schools.

32 **Sec. 2.** RCW 84.55.010 and 2021 c 207 s 10 are each amended to
33 read as follows:

34 (1) Except as provided in this chapter, the levy for a taxing
35 district in any year must be set so that the regular property taxes
36 payable in the following year do not exceed the sum of:

37 (a) The limit factor multiplied by the amount of regular property
38 taxes lawfully levied for such district in the highest of the three
39 most recent years in which such taxes were levied for such district,

1 excluding any increase due to ~~((e))~~ (b)(v) of this subsection,
2 unless the highest levy was the statutory maximum rate amount ~~((, plus~~
3 ~~an))~~; and

4 (b) An additional dollar amount calculated by multiplying the
5 regular property tax levy rate of that district for the preceding
6 year by the increase in assessed value in that district resulting
7 from:

8 ~~((a))~~ (i) New construction;

9 ~~((b))~~ (ii) Increases in assessed value due to construction of
10 wind turbine, solar, biomass, and geothermal facilities, if such
11 facilities generate electricity and the property is not included
12 elsewhere under this section for purposes of providing an additional
13 dollar amount. The property may be classified as real or personal
14 property;

15 ~~((c))~~ (iii) Improvements to property;

16 ~~((d))~~ (iv) Any increase in the assessed value of state-assessed
17 property; and

18 ~~((e))~~ (v) Any increase in the assessed value of real property,
19 as that term is defined in RCW 39.114.010, within an increment area
20 as designated by any local government in RCW 39.114.020 provided that
21 such increase is not included elsewhere under this section. This
22 subsection (1) ~~((e))~~ (b)(v) does not apply to levies by the state or
23 by port districts and public utility districts for the purpose of
24 making required payments of principal and interest on general
25 indebtedness.

26 (2) The requirements of this section do not apply to:

27 (a) State property taxes levied under RCW 84.52.065(1) for
28 collection in calendar years 2019 through 2021; and

29 (b) State property taxes levied under RCW 84.52.065(2) for
30 collection in calendar years 2018 through 2021.

31 (3) For state property taxes levied for collection in 2026
32 through 2028, the levy must be set so that the regular property taxes
33 payable in the following year equal the limit factor multiplied by
34 the applicable part I or part II highest lawful levy amount as
35 provided in RCW 84.52.065(6), plus an additional dollar amount
36 calculated as provided in subsection (1)(b) of this section.

1 NEW SECTION. **Sec. 3.** This act applies for collection in 2026
2 and thereafter.

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